



## 99TH GENERAL ASSEMBLY

### State of Illinois

2015 and 2016

HB1420

by Rep. Mike Fortner

#### SYNOPSIS AS INTRODUCED:

55 ILCS 5/5-1030  
65 ILCS 5/8-3-14

from Ch. 34, par. 5-1030  
from Ch. 24, par. 8-3-14

Amends the Counties Code. Provides that amounts collected by a county from a hotel tax shall be expended to promote transportation for tourists and infrastructure for transportation for tourists. Makes similar changes in the Illinois Municipal Code. Effective immediately.

LRB099 07623 AWJ 27754 b

FISCAL NOTE ACT  
MAY APPLY

A BILL FOR

1 AN ACT concerning local government.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

4 Section 5. The Counties Code is amended by changing Section  
5 5-1030 as follows:

6 (55 ILCS 5/5-1030) (from Ch. 34, par. 5-1030)

7 Sec. 5-1030. Hotel rooms, tax on gross rental receipts.

8 (a) The corporate authorities of any county may by  
9 ordinance impose a tax upon all persons engaged in such county  
10 in the business of renting, leasing or letting rooms in a hotel  
11 which is not located within a city, village, or incorporated  
12 town that imposes a tax under Section 8-3-14 of the Illinois  
13 Municipal Code, as defined in "The Hotel Operators' Occupation  
14 Tax Act", at a rate not to exceed 5% of the gross rental  
15 receipts from such renting, leasing or letting, excluding,  
16 however, from gross rental receipts, the proceeds of such  
17 renting, leasing or letting to permanent residents of that  
18 hotel, and may provide for the administration and enforcement  
19 of the tax, and for the collection thereof from the persons  
20 subject to the tax, as the corporate authorities determine to  
21 be necessary or practicable for the effective administration of  
22 the tax.

23 (b) With the consent of municipalities representing at

1 least 67% of the population of Winnebago County, as determined  
2 by the 2010 federal decennial census and as expressed by  
3 resolution of the corporate authorities of those  
4 municipalities, the county board of Winnebago County may, by  
5 ordinance, impose a tax upon all persons engaged in the county  
6 in the business of renting, leasing, or letting rooms in a  
7 hotel that imposes a tax under Section 8-3-14 of the Illinois  
8 Municipal Code, as defined in "The Hotel Operators' Occupation  
9 Tax Act", at a rate not to exceed 2% of the gross rental  
10 receipts from renting, leasing, or letting, excluding,  
11 however, from gross rental receipts, the proceeds of the  
12 renting, leasing, or letting to permanent residents of that  
13 hotel, and may provide for the administration and enforcement  
14 of the tax, and for the collection thereof from the persons  
15 subject to the tax, as the county board determines to be  
16 necessary or practicable for the effective administration of  
17 the tax. The tax shall be instituted on a county-wide basis and  
18 shall be in addition to any tax imposed by this or any other  
19 provision of law. The revenue generated under this subsection  
20 shall be accounted for and segregated from all other funds of  
21 the county and shall be utilized solely for either: (1)  
22 encouraging, supporting, marketing, constructing, or  
23 operating, either directly by the county or through other  
24 taxing bodies within the county, sports, arts, or other  
25 entertainment or tourism facilities or programs for the purpose  
26 of promoting tourism, competitiveness, job growth, and for the

1 general health and well-being of the citizens of the county; or  
2 (2) payment towards debt services on bonds issued for the  
3 purposes set forth in this subsection.

4 (c) A Tourism Facility Board shall be established,  
5 comprised of a representative from the county and from each  
6 municipality that has approved the imposition of the tax under  
7 subsection (b) of this Section.

8 (1) A Board member's vote is weighted based on the  
9 municipality's population relative to the population of  
10 the county, with the county representing the population  
11 within unincorporated areas of the county. Representatives  
12 from the Rockford Park District and Rockford Area  
13 Convention and Visitors Bureau shall serve as ex-officio  
14 members with no voting rights.

15 (2) The Board must meet not less frequently than once  
16 per year to direct the use of revenues collected from the  
17 tax imposed under subsection (b) of this Section that are  
18 not already directed for use pursuant to an  
19 intergovernmental agreement between the county and another  
20 entity represented on the Board, including the ex-officio  
21 members, and for any other reason the Board deems  
22 necessary. Affirmative actions of the Board shall require a  
23 weighted vote of Board members representing not less than  
24 67% of the population of the county.

25 (3) The Board shall not be a separate unit of local  
26 government, shall have no paid staff, and members of the

1 Board shall receive no compensation or reimbursement of  
2 expenses from proceeds of the tax imposed under subsection  
3 (b) of this Section.

4 (d) Persons subject to any tax imposed pursuant to  
5 authority granted by this Section may reimburse themselves for  
6 their tax liability for such tax by separately stating such tax  
7 as an additional charge, which charge may be stated in  
8 combination, in a single amount, with State tax imposed under  
9 "The Hotel Operators' Occupation Tax Act".

10 Nothing in this Section shall be construed to authorize a  
11 county to impose a tax upon the privilege of engaging in any  
12 business which under the Constitution of the United States may  
13 not be made the subject of taxation by this State.

14 An ordinance or resolution imposing a tax hereunder or  
15 effecting a change in the rate thereof shall be effective on  
16 the first day of the calendar month next following its passage  
17 and required publication.

18 The amounts collected by any county pursuant to this  
19 Section shall be expended to promote tourism; transportation  
20 for tourists; infrastructure for transportation for tourists;  
21 conventions; expositions; theatrical, sports and cultural  
22 activities within that county or otherwise to attract  
23 nonresident overnight visitors to the county.

24 Any county may agree with any unit of local government,  
25 including any authority defined as a metropolitan exposition,  
26 auditorium and office building authority, fair and exposition

1 authority, exposition and auditorium authority, or civic  
2 center authority created pursuant to provisions of Illinois law  
3 and the territory of which unit of local government or  
4 authority is co-extensive with or wholly within such county, to  
5 impose and collect for a period not to exceed 40 years, any  
6 portion or all of the tax authorized pursuant to this Section  
7 and to transmit such tax so collected to such unit of local  
8 government or authority. The amount so paid shall be expended  
9 by any such unit of local government or authority for the  
10 purposes for which such tax is authorized. Any such agreement  
11 must be authorized by resolution or ordinance, as the case may  
12 be, of such county and unit of local government or authority,  
13 and such agreement may provide for the irrevocable imposition  
14 and collection of said tax at such rate, or amount as limited  
15 by a given rate, as may be agreed upon for the full period of  
16 time set forth in such agreement; and such agreement may  
17 further provide for any other terms as deemed necessary or  
18 advisable by such county and such unit of local government or  
19 authority. Any such agreement shall be binding and enforceable  
20 by either party to such agreement. Such agreement entered into  
21 pursuant to this Section shall not in any event constitute an  
22 indebtedness of such county subject to any limitation imposed  
23 by statute or otherwise.

24 (Source: P.A. 98-313, eff. 8-12-13.)

25 Section 10. The Illinois Municipal Code is amended by

1 changing Section 8-3-14 as follows:

2 (65 ILCS 5/8-3-14) (from Ch. 24, par. 8-3-14)

3 Sec. 8-3-14. Municipal hotel operators' occupation tax.

4 The corporate authorities of any municipality may impose a tax  
5 upon all persons engaged in such municipality in the business  
6 of renting, leasing or letting rooms in a hotel, as defined in  
7 "The Hotel Operators' Occupation Tax Act," at a rate not to  
8 exceed 6% in the City of East Peoria and in the Village of  
9 Morton and 5% in all other municipalities of the gross rental  
10 receipts from such renting, leasing or letting, excluding,  
11 however, from gross rental receipts, the proceeds of such  
12 renting, leasing or letting to permanent residents of that  
13 hotel and proceeds from the tax imposed under subsection (c) of  
14 Section 13 of the Metropolitan Pier and Exposition Authority  
15 Act, and may provide for the administration and enforcement of  
16 the tax, and for the collection thereof from the persons  
17 subject to the tax, as the corporate authorities determine to  
18 be necessary or practicable for the effective administration of  
19 the tax. The municipality may not impose a tax under this  
20 Section if it imposes a tax under Section 8-3-14a.

21 Persons subject to any tax imposed pursuant to authority  
22 granted by this Section may reimburse themselves for their tax  
23 liability for such tax by separately stating such tax as an  
24 additional charge, which charge may be stated in combination,  
25 in a single amount, with State tax imposed under "The Hotel

1 Operators' Occupation Tax Act".

2 Nothing in this Section shall be construed to authorize a  
3 municipality to impose a tax upon the privilege of engaging in  
4 any business which under the constitution of the United States  
5 may not be made the subject of taxation by this State.

6 The amounts collected by any municipality pursuant to this  
7 Section shall be expended by the municipality solely to promote  
8 tourism and conventions within that municipality, to develop  
9 infrastructure for transportation for tourists, to provide  
10 transportation for tourists, or otherwise to attract  
11 nonresident overnight visitors to the municipality.

12 No funds received pursuant to this Section shall be used to  
13 advertise for or otherwise promote new competition in the hotel  
14 business.

15 (Source: P.A. 95-967, eff. 9-23-08; 96-238, eff. 8-11-09.)

16 Section 99. Effective date. This Act takes effect upon  
17 becoming law.